



NORTH COUNTRY PROCUREMENT, INC.

P.O. BOX 93
RUMNEY, NEW HAMPSHIRE 03266

(603) 786-2289
FAX (603) 786-9545

Courtney Feeley Karp
Department of Energy Resources
Commonwealth of Massachusetts
100 Cambridge Street, Suite 1020
Boston, MA 02114

February 5, 2009

Renewable Portfolio Rulemaking Class 2

Dear Ms. Karp:

My name is James C. Dammann. I am a licensed forester from Hillsboro, NH. By way of background, I have a Bachelor of Science from Dartmouth College (1975) and a Master of Forest Science from UNH (1978). Since 1979, I have been involved in the biomass industry, specifically supplying biomass to large and small scale biomass facilities.

My company, North Country Procurement, Inc. (NCP), started in 1986, provides wood procurement services to eight biomass facilities in New England of various sizes. We have four licensed foresters on our staff and we are responsible for the delivery of over 1,200,000 tons of biomass annually to these eight facilities. We utilize over 250 different logging/wood operation companies to supply these facilities. One of the facilities to which we supply biomass is Pinetree Power- Fitchburg in Westminster, Massachusetts.

We utilize about 40 different logging/woods operation companies to supply in excess of 200,000 tons of biomass needed annually at Pinetree. I estimate that these 40 companies employ between 200-300 people either directly or indirectly.

Historically, prices for wood biomass across New England were incredibly stable and, adjusting for inflation, actually decreased over the 1980's and 1990's. The price for wood biomass hovered around \$18-19/ton through this 20 year period. However, around 2003, this price stability changed as the price for diesel fuel began to rise and competition for other forest products, particularly pulpwood, increased. Currently, the price for wood biomass is about double what it was in the 1980's and 1990's, ranging from \$30-40/ton. Despite the recent price drop in diesel fuel, wood biomass prices have remained in this range. This is due to the fact that the market for other forest products (logs / pulp) has fallen dramatically in the past year. In other words, the biomass portion of woods operations (i.e. - low quality trees, tops and branches) are now supporting a much higher percentage of woods operations. We believe this trend will continue, as markets for logs and pulp in New England are likely to be weak in the long term.

I understand that the Department is engaged in a rulemaking to revise its existing emergency rule providing for renewable energy credit payments to generators like Pinetree- Fitchburg. I understand that the emergency rule renewable credit level may not create much support for wood-burning plants, particularly considering the higher price of wood fuel needed to support ongoing woods operations. Increasing the credit amount will help support jobs and the other forest benefits noted above.

For the above reasons, I ask that the Department revise its emergency rule to provide increased renewable energy credit support for wood-burning electrical generators.

Sincerely,

A handwritten signature in dark ink, appearing to read "James C. Dammann". The signature is fluid and cursive, with the first name "James" and last name "Dammann" clearly distinguishable.

James C. Dammann

cc Secretary Bowles